

Message Text

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ACTION EB-07

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E.O. 11652: N/A

TAGS: ETRD, UY

SUBJ: US TRADE ACT AND FELACEX MEETING

REF: A) MVD 157 B) MVD 152 (NOTAL)

1. SUMMARY. URUGUAY'S UNION OF EXPORTERS WILL NOT ATTEND FLEACEX MEETING IN CARACAS CALLED TO CRITICIZE US TRADE ACT. SECRETARY OF THE UNION, MILTON REYES, SAID IN A PRESS INTERVIEW JAN 19 THAT HIS ORGANIZATION'S INITIAL ANALYSIS OF TITLE V FOUND NO PROSPECT OF INJURIES TO URUGUAY, BUT RATHER THAT IT HAD POSITIVE ASPECTS. IN PLEDGING SOLIDARITY WITH OTHR LA EXPORTERS, REYES ENDORSED FONMIN BLANCO'S THINLY VIELED CRITICISM OF VENEZUELA FOR NOT HELPING URUGUAY IN THE FACE OF THE ENERGY CRISIS (REFTEL A). FYI COMMENT: REYES' REMARKS FOLLOWED MEETING WITH EMBOFFS (REFTEL B) AND SUGGEST THAT URUGUAY'S PRIVATE SECTOR REACTION TO THE TRADE ACT WILL BE AS HELPFUL AS THE GOU'S PRONOUNCEMENTS HAVE BEEN. OTHER POSTS MAY WISH UNCLASSIFIED

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TO QUOTE THESE REMARKS IN THEIR DISCUSSIONS.END SUMMARY

AND FYI COMMENT.

2. THE FOLLOWING IS THE EMBASSY'S TRANSLATION OF THE RELEVANT PARTS OF THE INTERVIEW WITH MILTON REYES, SECRETARY OF URUGUAY'S UNION OF EXPORTERS, PUBLISHED IN EL DIA, JAN 19
REYES: "IT IS HARD TO THOROUGHLY INTERPRET A LAW SUCH AS THE ONE UNDER CONSIDERATION. IF ANALYZING OUR OWN LEGISLATION IS A MATTER FOR SPECIALISTS WHEN IT COMES TO FUNDAMENTAL LAWS, THE DIFFICULTIES ARE MUCH GREATER WHEN ANALYZING A FOREIGN LAW INTERTWINED WITH A WHOLE BODY OF LAWS WHICH ARE UNKNOWN TO US. THEREFORE, WE SHALL NOT DECLARE OURSELVES EITHER IN FAVOR OR AGAINST THE LAW AND OUR COMMENTS WILL BE PURELY OBJECTIVE.
"IT IS TRUE THAT US HAD BEEN REMISS IN NOT HAVING TAKEN A DECISION ON ADOPTING GSP AS HAD THE EEC AND OTHER COUNTRIES. LAST DECEMBER, ON THE VERGE OF THE YEAR ENDING WITHOUT US APPROVAL OF THIS MEASURE, WE REQUESTED OUR DIPLOMATIC MISSION IN WASHINGTON TO URGE APPROVAL OF THE LAW BY THE US CONGRESS. THEREFORE, TO THE EXTENT THE US TRADE LAW SHOWS THE WAY AND PROVIDES THE MEANS FOR THEM TO NEGOTIATE PREFERENCES TO LDCS

IN GENEVA, WITHIN THE GSP, IT IS A POSITIVE MEASURE. IT IS PREMATURE TO DISCUSS WHAT THOSE ADVANTAGES WILL BE, SINCE WE MUST AWAIT THE AGREEMENT ON THE TARIFF PREFERENCES TO BE GRANTED, WHICH ARE GENERALLY EXTENDED UNILATERALLY WITHOUT THE INTERVENTION OF THE BENEFICIARIES.

"Q.--SO YOU DO NOT FIND THAT THERE WILL BE EVENTUAL INJURIES FOR URUGUAYAN EXPORTERS....

"A.--NOWHERE IN TITLE V WHICH WE HAVE READ IS IT STATED THAT TARIFFS WILL BE INCREASED FOR PRODUCTS THAT DO NOT ENJOY TARIFF

REDUCTIONS. THIS MEANS, IF WORSE COMES TO WORST, THERE WOULD BE NO CHANGE IN CONDITIONS TO CONTINUE EXPORTING TO MARKETS WHICH HAVE ALREADY BEEN OPENED IN THE US.

"ANYWAY, IT IS NOT SIMPATICO TO SAY THAT SINCE OUR EXPORTERS WILL NOT SUFFER ANY HARM, WE DO NOT CARE WHAT HAPPENS TO OTHER LA COUNTRIES.

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"OUR UNION OF EXPORTERS OF URUGUAY IS A MEMBER OF THE LA AND CARIBBEAN FEDERATION OF CHAMBERS OF EXPORTERS--FELACEX. THAT IN ITSELF, AS WELL AS SENSIBLE REASONS, ALSO IMPEL US TO SOLIDARITY.

"BUT WE BELIEVE THE FAIREST EXPRESSION OF THIS SENSE OF SOLIDARITY WAS STATED BY OUR FONMIN, DR. JUAN CARLOS BLANCO, AT HIS PRESS CONFERENCE ON JAN 15. THE BOARD OF DIRECTORS OF THE UNION

OF EXPORTERS OF URUGUAY HAS ADHERED TO THOSE STATEMENTS. SO
MUCH SO THAT IT REPLIED TO AN INVITAON ISSUED BY FELACEX
TO GO TO CARACAS FROM JAN 23 TO 24 AS FOLLOWS: INTERQUOTE
AS WE CANNOT ATTEND CARACASMEEING, WE ARE TRANSITTING OUR
OPINION. CONSISTENT WITH OUR COUNTRYS POSITION, WE DO NOT FAVOR
CONRONTATON, BUT TO USE SOLIDARITY AS TOOL TO SEEK SOLUTIONS.
VARIOUS COUNTRIES HAD TO FACE UNFAVORABLE COMERCIAL EVENTS
AS A CONSEQUENCE OF ENERGY CRISIS. OURHUNTRY SUFFERED
THROUGH ITS MAIN PRODUCT: MEAT. WE GLADLY EXTEND OUR
SOLIDARITY BUT DEMAND THE SAME ATTITUDE TOWARDS THOSE WHO
SILENTLY CONFRONTED ADVERSE CONDITIONS FOR ALIEN REASONS,
BEYOND THEIR CONTROL. END INTERQUOTE. END QUOTE.
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